



J. TYLER McCaULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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November 15, 2006

TO: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **STEP UP ON SECOND CONTRACT COMPLIANCE REVIEW –
MENTAL HEALTH SERVICES PROVIDER**

We have completed a contract compliance review of Step Up On Second (Step Up or Agency), a Department of Mental Health (DMH) services provider.

Background

DMH contracts with Step Up, a private, non-profit, community-based organization, which provides services to clients in Service Planning Area 5. Services include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan.

Our review focused on approved Medi-Cal billings where at least 35% of the total service cost was paid using County General Funds. At Step Up, these services include Targeted Case Management Services, Mental Health Services, Medication Support Services, and Crisis Intervention Services. The Agency's headquarters is located in the Third District.

DMH paid Step Up between \$1.50 and \$2.97 per minute of staff time (\$90.00 to \$178.20 per hour). DMH contracted with Step Up to provide approximately \$2.3 million in services for Fiscal Year 2005-06.

"To Enrich Lives Through Effective and Caring Service"

Purpose/Methodology

The purpose of the review was to determine whether Step Up provided the services outlined in their contract with the County. Our monitoring visit included a review of a sample of the Step Up's billings, participant charts, and personnel and payroll records. We also interviewed staff from Step Up and a sample of the participants' parents and guardians.

Results of Review

Overall, Step Up provided the program services outlined in the County contract. The Agency used qualified staff to perform the services billed and the participants interviewed stated that the services they received met their expectations. Step Up also maintained documentation to support 95% of the minutes sampled. However, the Agency did not maintain effective controls to detect billing discrepancies. For example, Step Up did not detect 897 minutes in which DMH processed the same minutes twice. The total amount over paid was \$2,577.

Step Up also did not sufficiently document 1,030 (17%) of the 6,232 service minutes sampled. For example, the Agency billed 980 minutes for Mental Health Services but the Progress Notes did not describe what the client or service staff attempted and/or accomplished towards the client's goals. In addition, Step Up did not maintain a completed Client Care Plan for 7 (23%) of 31 participants sampled.

We have attached the details of our review, along with recommendations for corrective action.

Review of Report

We discussed the results of our review with Step Up on September 5, 2006. In their attached response, the Agency generally agreed with the results of our review and described their corrective actions to address the findings and recommendations contained in the report.

We thank Step Up management for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC
Attachment

c: David E. Janssen, Chief Administrative Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Dr. Tod Lipka, CEO / Executive Director, Step Up On Second, Inc.
Public Information Office
Audit Committee

**COUNTYWIDE CONTRACT MONITORING REVIEW
FISCAL YEAR 2005-2006
STEP UP ON SECOND**

BILLED SERVICES

Objective

Determine whether Step Up On Second (Step Up or Agency) provided the services billed in accordance with their contract with Department of Mental Health (DMH).

Verification

We judgmentally selected 6,232 minutes from 131,046 service minutes of approved Medi-Cal billings to DMH where at least 35% of the total service cost was paid using County General Funds. The 6,232 minutes represent services provided to 31 program participants. We reviewed the Assessments, Client Care Plans, and Progress Notes maintained in the 31 clients' charts. We also reconciled an additional 1,969 minutes to the clients' charts. The additional minutes related to multiple billings for the same client for the same services on the same day.

Although we started our review in June 2006, the most current billing information available from DMH's billing system was November and December of 2005.

Results

Step Up over billed DMH for 342 (5%) minutes of the 6,232 minutes sampled. The amount over billed totaled \$729. Specifically, we noted the following:

- The Agency did not provide documentation to support 287 of the service minutes billed.
- The Agency billed DMH 55 minutes for a missed appointment, which is prohibited by the Contract.

In addition, the Agency did not maintain effective controls to detect billing discrepancies. Specifically, Step Up did not detect 897 minutes in which DMH processed the same minutes twice. The amount over paid for these minutes totaled \$1,848.

Step Up also did not sufficiently document 1,030 (17%) of the 6,232 service minutes sampled. Specifically, we noted the following:

- The Agency billed 980 minutes for Mental Health Services but the Progress Notes did not describe what the client or service staff attempted and/or accomplished towards the client's goals.

- The Agency billed 50 minutes in which more than one staff was present during an intervention, but the Progress Notes did not describe the specific contribution of each staff person.

Client Care Plans

Step Up did not maintain completed Client Care Plans for 7 (23%) of 31 participants sampled. The Client Care Plan establishes goals and interventions that address the Mental Health issues identified in the client's Assessment. Specifically, three charts did not contain a Client Care Plan for each type of treatment provided, and four Client Care Plans did not contain observable and/or quantifiable goals.

Informed Consent for Medication

Step Up did not document informed consent for five (50%) of ten clients sampled. Informed consent is required on an annual basis and when medication changes, and documents the client's agreement to a proposed course of treatment based on receiving clear, understandable information about the treatment's potential benefits and risks.

Recommendations

Step Up management:

- 1. Repay DMH \$2,577.**
- 2. Properly document all services billed to DMH.**
- 3. Ensure that Client Care Plans contain specific and quantifiable goals and ensure that the Plans are developed for each service provided.**
- 4. Ensure that informed consent is documented in the client's chart each year or when medication changes.**

CLIENT VERIFICATION

Objectives

Determine whether the program participants received the services that Step Up billed DMH.

Verification

We interviewed seven clients that Step Up billed DMH for services during November and December 2005.

Results

The seven program participants interviewed stated that they received services from the Agency and the services met their expectations.

Recommendation

There are no recommendations for this section.

STAFFING LEVELS**Objective**

Determine whether the Agency maintained the appropriate staffing ratios for applicable services.

We did not perform test work in this section, as the Agency does not provide services that require staffing ratios for the funding programs that we reviewed.

STAFFING QUALIFICATIONS**Objective**

Determine whether Step Up treatment staff possessed the required qualifications to provide the services.

Verification

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for 20 (63%) of 32 Step Up treatment staff for documentation to support their qualifications.

Results

Each employee in our sample possessed the qualifications required to deliver the services billed.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS**Objective**

Determine whether Step Up's reported service levels varied significantly from the service levels identified in the DMH contract.

Verification

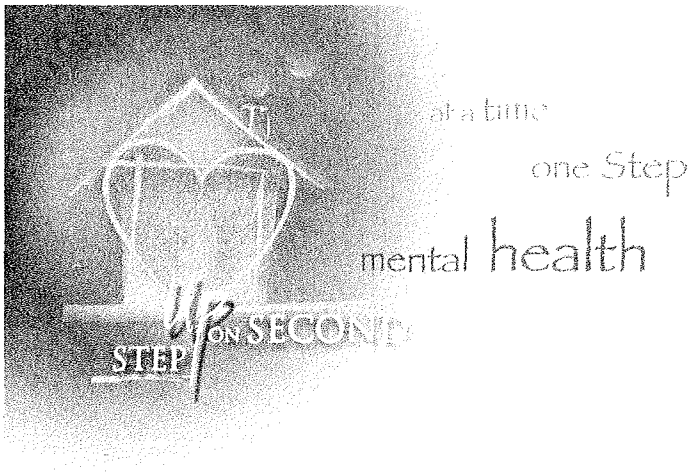
We obtained the Fiscal Year (FY) 2004-05 Cost Report submitted to DMH by Step Up and compared the dollar amount and billed units of service to the contracted units of service identified in the contract for the same period.

Results

The Agency did not vary from its contracted service levels.

Recommendation

There are no recommendations for this section.



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c/o Greg Hellmold
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Alhambra, Ca 91803

Subject: Step Up on Second Compliance Review Audit Finding Responses

Attached are Step Up's responses to the recent audit. We agree with the report and will comply with the recommendations as our responses indicate.

Thank you.

Respectfully Submitted:
October 26, 2006

A handwritten signature in cursive script, appearing to read 'Barbara Hold', is positioned above the printed name.

Barbara Hold, LCSW
Clinical Director

A handwritten signature in cursive script, appearing to read 'Tod Lipka', is positioned above the printed name.

Tod Lipka, CEO

Step Up on Second

Attachment 1

**Responses to Audit Finding and Recommendations
2006**

Recommendation Billed Services

1: Repay DMH \$2,577.

Check will come under separate cover. Please do not offset our current cash flow payments.

2: Properly document all services billed under DMH.

Step Up conducts quarterly QA meetings to review charts for accuracy of documentation. In addition all staff audits charts to ensure that services billed have proper documentation to support the billed activity. These systems are in place. The Clinical Director will review the findings of this report with all clinical staff and monitor the QA and internal audit process to prevent inaccuracies in documentation.

3: Ensure that Client Care Plans contains specific and quantifiable goals and ensure that the Plans are developed for each service provided.

Step Up conducts quarterly QA meetings to review charts for accuracy of documentation. All Client Care Plans will be reviewed and signed by the Team Leader who is a LMHP. On going trained will be held to assist staff in writing S.M.A.R.T. specific goals.

4: Ensure that informed consent is documented in the client's chart each year or when medication changes.

All Psychiatrists have been informed of this requirement and standards and will with document on the consent form or document medication changes etc in the chart note. QA audits will review for this requirement.